Exhibit 2

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Greenspan Says Worst of U.S. Housing Slowdown Is Over (Update2)

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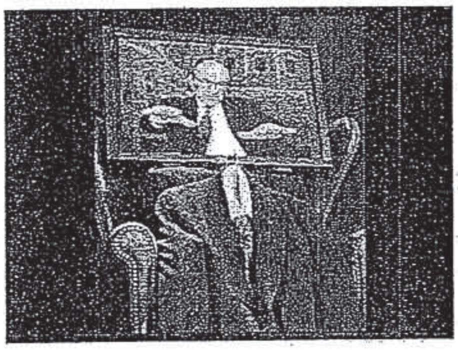
By Doug Alexander



Feb. 14 (Bloomberg) -- Former Federal Reserve chairman **Alan Greenspan** said the U.S. housing slowdown may be coming to an end, citing sales of new homes.

``I think the worst is behind us,'' Greenspan, 80, told a Toronto conference today, during a speech broadcast live via satellite. ``We are in the midst of a very significant inventory liquidation of unsold new homes.''

Greenspan's comments represent a view similar to those of his successor, **Ben S. Bernanke.** Bernanke told the Senate Banking Committee today that the Fed expects economic growth to strengthen ``somewhat as the drag from housing diminishes.'' Fed policy makers predicted gross domestic product will increase by 2.5 percent to 3 percent this year.

In the statement after the Federal Open Market Committee's most recent meeting on Jan. 31, the Fed said recent data suggest ``somewhat firmer economic growth,'' while the housing market is showing ``some tentative signs of stabilization.''

Such stabilization is coming after the market's worst slump in 15 years. Sales of previously owned homes are near a three-year low, while **housing starts** rebounded in November and December from the slowest pace since 2000.

``The worst of the adjustment is over, meaning not that the market is turning,'' Greenspan said, ``but that the rate of decline was at its maximum in the third quarter and continued over in the fourth quarter and should now be moving to a much less negative direction.''

Unsold Homes

Inventories of unsold homes are shrinking by about 10,000 to 15,000 units a month, and will soon start to shrink by about 20,000 to 30,000 units a month as housing starts drop, Greenspan said.

``That inventory will continue to liquidate and markets will turn around,'' he said.

Greenspan also said ``disarray'' in the U.S. subprime mortgage market, which serves borrowers with weak credit who typically pay higher interest rates, isn't likely to create greater financial instability in the rest of the economy.

``We do have a problem here, it's probably not over,'' Greenspan said. ``It may actually infect some parts of the prime mortgage market, but there's no real evidence that this is a significant issue.''

Bernanke said today during his semiannual appearance before the Senate panel that ``distress'' in the subprime market is of ``significant concern'' to him, though he didn't yet think it had implications for the larger economy.

`Predatory Lending'

The comments illustrate concern about the subprime market as rising interest rates, looser lending standards and falling home prices put more borrowers at risk of losing their homes. Senate Banking Committee Chairman **Christopher Dodd** told Bernanke today he's concerned ``about the predatory lending practices that go on'' in the subprime market.

The mortgage industry has been in turmoil in recent weeks as more homeowners fall behind in their mortgage payments. Subprime mortgages made up about a fifth of all new mortgages in the first half of 2006, according to the Washington-based Mortgage Bankers Association. As of the third quarter, they represented 13.6 percent of outstanding home loans, up from 2.4 percent in 1998.

Since Greenspan retired from the Fed in January 2006, he's been giving paid talks to audiences around the world and is writing a book, ``The Age of Turbulence,'' to be published later this year. He was appointed Fed chairman in 1987 by then- president **Ronald Reagan**.

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REUTERS

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Housing woes not affecting economy: Paulson

Tue Mar 13, 2007 7:03pm EDT

WASHINGTON (Reuters) - U.S. Treasury Secretary Henry Paulson said on Tuesday a decline in U.S. housing activity has caused some damage in subprime mortgage markets but was not hurting the overall economy.

"I continue to believe the U.S. economy is healthy," Paulson said in an interview on CNBC Television when he was asked about a big drop in the stock market.

"We have had a significant housing correction in the U.S.," Paulson added. "You can't have a correction like that without causing some dislocations. It's too early to tell whether it's bottomed, I believe it has."

The U.S. Treasury chief said it "shouldn't be a surprise to anyone that there's some fallout in the subprime mortgage market ... but it's largely contained."

Paulson said the U.S. economy was "diverse" with growth in exports outstripping imports and consumers still spending.

"Inflation would appear to be contained so again I continue to believe we are making a successful transition from an economy that was growing at an unsustainable rate to one that is growing at a more sustainable rate," Paulson said.

After hosting a day-long session on capital markets and regulation, Paulson avoided a direct answer when asked whether the threat of rampant lawsuits was driving capital away from the United States to other centers.

"We have the best capital markets in the world. They're the most liquid, the most competitive capital markets in the world and they're very important to our economy," he said.

Paulson was interviewed on a day when U.S. stock markets posted their second-worst sell-off of the year.

On another issue, he was asked whether pressuring China to let its yuan currency appreciate risks potential backfire if China becomes reluctant to buy U.S. debt securities.

But Paulson, who visited Beijing and Shanghai last week, said China does not yet have a market-determined currency exchange rate and indicated he was not about to back off in demanding that China move toward one.

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"They need to show more flexibility," he said.